# External Evaluation and Review Report

ServiceIQ

Date of report: 3 September 2020

# About Service**IQ**

*Most ServiceIQ trainees work for large employers in the retail and quick-service sectors. The aviation sector is the third-largest employer covered by ServiceIQ. All three areas have been impacted by the Covid-19 pandemic. Service IQ is recognised as a transitional ITO and will be disestablished following the review of vocational education.*

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| Type of organisation: | Transitional Industry Training Organisation (TITO) |
| Location: | Level 14 Plimmer Towers, 2-6 Gilmer Terrace, Wellington |
| Gazette recognition date: | Provisional recognition from 1 January 2019 for two years |
| Gazette coverage: | Accommodation, Aviation, Cafes, Bars and Restaurants, Clubs, Food Services, Museum, Quick Service Restaurants, Retail, Retail Supply Chain, Tourism, Travel |
| Number of STMs: | 16,271; 2019 – Māori 15.6 per cent, Pasifika 10 per cent, non-Māori and non-Pasifika 75 per cent |
| Number of staff: | 137 full-time equivalents |
| ITO profile: | See NZQA ServiceIQ organisation details |
| Last EER outcome: | In 2017, NZQA found ServiceIQ Not Yet Confident in both ITO performance and capability in self-assessment. |
| Scope of evaluation: | • New Zealand Certificate in Retail (Level 3) |
| | • Cafe, Bar and Restaurant (Levels 2-4) |
| | • First Line Management (Level 4) |
| | • Governance, management and strategy |
| MoE number: | 9068 |
| NZQA reference: | C37337 |
| Dates of EER fieldwork: | 16-19 June 2020 |

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# Summary of Results

*ServiceIQ develops relevant qualifications based on industry skill needs. Training is aligned to business requirements, and resources are widely used to support on-job training and assessment. The new leadership has established clear direction and implemented better monitoring of Qual Link and information-sharing processes, contributing to improved confidence. However, there are still areas for improvement for trainee achievement.*

**Confident in TITO performance**

- ServiceIQ understands key industry skills needs and develops suitable qualifications based on industry inputs.

- Qualifications are valued by employers and ensure staff develop the relevant skills. Trainees use their skills to gain entry-level roles or for career progression. Lower-level qualifications enabling transition into employment or training are also valued by secondary schools.

**Confident in capability in self-assessment**

- Trainee credit completion rates are variable across employers and sectors. Factors contributing to this include the nature of the sectors – particularly retail and hospitality which are characterised by high turnover of staff and a high proportion of youth employed – as well as the operations of large employers, which have an impact on completions.

- Improvements to support parity of achievement for priority groups have yet to be realised. However, steps have been taken to improve staff cultural awareness and provide a strategic focus to improve the TITO's response to the needs of priority learner groups.

- Flexible training and assessment models are arranged to suit business needs, with suitable resources and support for employers and staff.

- ServiceIQ has improved its monitoring of quality assurance processes, including the review of Qual Link training programmes and on-job assessment.

- The organisation monitors employer and trainee feedback about the qualifications in general to identify gaps and areas for improvement.

Feedback also shows there is high satisfaction with the qualifications and arrangements managed by ServiceIQ.

- Strong leadership is shown in improved governance oversight, effective management and communication.

- The organisation has a strong focus on addressing previous quality assurance concerns, with regular review and reporting on activities using reliable data for analysis and decision-making, in order to improve outcomes.

# Key evaluation question findings[1]

## 1.1 How well does the TITO understand and meet the needs of industry, trainees and government?

| Performance: | **Good** |
|---|---|
| Self-assessment: | **Good** |
| Findings and supporting evidence: | ServiceIQ is focused on future growth and addressing labour shortages, both at a national and regional level, with relevant qualifications that reflect career pathways within its sectors. ServiceIQ uses information from Infometrics reports, industry advisory groups, field staff and stakeholder satisfaction surveys to understand industry training needs and identify how it can improve the supply of a skilled workforce. |
| | ServiceIQ also uses its website and roadshows to convey research results to inform businesses about national and regional skill shortages and to encourage training and upskilling. |
| | New initiatives have been introduced to address needs. One is the establishment of a talent supply and transitions team which aims to increase the transition of people into the TITO's sectors and coordinate Gateway programmes[2] to assist with increasing the supply of skilled workers. Currently, eight large employers are involved in the Gateway programme, but tracking data has not been used to determine whether this has led to a higher number of school leavers finding employment in the sectors. |
| | The organisation understands its sectors, which enables it to provide qualifications to meet needs. Around 9 per cent of employers across its sectors engage with the TITO for training. Around 90 per cent of employees in training are employed by large businesses, which make up 12 per cent of ServiceIQ sector companies. The remaining trainees are spread across the other 88 per cent of businesses that employ fewer than 20 staff. While there is evidence that ServiceIQ meets the needs of smaller businesses they work with, there is scope to extend |

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[1] The findings in this report are derived using a standard process and are based on a targeted sample of the organisation's activities.

[2] Gateway aims to support secondary students into the workforce by offering workplace learning while they are still at school.

| | the number of businesses it engages with in this category. |
|---|---|
| | It is difficult to determine whether enrolments in individual qualifications are meeting sector needs for skilled staff, and this is further impacted by Covid-19. However, employer and employee overall satisfaction with ServiceIQ qualifications is 75 and 82 per cent respectively. |
| | ServiceIQ introduced the 'Savvy Awards' in 2018 to increase enrolments and support sector growth. The awards are designed to attract people into the hospitality, retail and tourism sectors with a generic, limited credit qualification. It also aims to increase retention and provide a career pathway. Enrolments and completions are steadily increasing, indicating that the awards serve the needs of trainees and employers. Initial data on progression to further qualifications is around 10.5 per cent in retail. |
| | The TITO is also branching out with the development of a micro-credential for the International Dysphagia Diet Standardisation Initiative (IDDSI) for catering, and new standards in, for example, aerospace engineering to meet regional needs. |
| | Prior to the pandemic, the highest number of trainees were employed in retail and retail supply (see Table 1, Appendix 1 for the 2018 sector breakdown). To date, the TITO reports an estimated 50 per cent drop in retail, aviation and hospitality activity as a result of Covid-19, and higher in the tourism sectors. In addition, there are currently around 2,000 fewer trainees overall in 2020 than at the end of 2019. ServiceIQ is supporting and working with businesses to help displaced workers gain qualifications and find employment in complementary workplaces until industries revive. |
| Conclusion: | ServiceIQ supports business with qualifications and standards that meet skill needs and provide career progression, from secondary school to supervisor/management level. |
| | Identification of needs is based on a range of sources and data analysis, and information about future needs is communicated to the sectors. New developments show a high responsiveness to sector needs, and there is some improvement in enrolments as a result of strategies to increase participation in training. |

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## 1.2 What is the value of the outcomes for employers and their trainees?

| Performance: | **Good** |
|---|---|
| Self-assessment: | **Good** |
| Findings and supporting evidence: | ServiceIQ is well connected with industry through its engagement with employers and business leaders on industry advisory groups, as well as industries represented on the ServiceIQ board. This contributes to understanding the value of training for its sectors. |
| | ServiceIQ's industry survey analysis (Customer Insights, 2019) shows that employers engage in the TITO programmes to improve recruitment, foster employee career development and promotions, improve retention, and increase productivity. Trainee feedback says they value receiving practical on-job training while gaining a qualification, and the opportunities for career progression. |
| | ServiceIQ is aware of the potential to gather more quantitative data on the value of training to businesses. Currently, relevant metrics on the relationship between training and business benefits and improvements are collected by a limited number of individual organisations. |
| | Another indicator of the value of the training is the industry cash contribution to ServiceIQ activities, which was 48 per cent for 2019, a relatively high proportion compared with other transitional ITOs. |
| | Larger employers who have engaged with ServiceIQ over several years benefit from staff achieving industry-recognised qualifications aligned to their own in-house training. |
| | Feedback is gathered using a generic format to survey all employers and trainees. While this is one measure to understand the usefulness of qualifications, questions about specific qualification outcomes would help further identify whether the relevant business models and outcomes meet the skills needs of employers and employees. |
| | Secondary schools place a high value on Gateway programmes, enabling students to achieve credits towards NCEA. During the Covid-19 lockdown, companies were employing students on Gateway to address workforce shortages, particularly in |

| | supermarkets. |
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| Conclusion: | Industry survey results and uptake of qualifications provide good evidence that stakeholders value the qualifications, including the Gateway programmes, and the provision of relevant skills to meet industry needs and career progression. This demonstrates that the qualifications are credible.<br><br>Information used to inform value is not comprehensive, as graduate feedback on specific qualification outcomes or career progression is not gathered. |

## 1.3  How well do trainees achieve?

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|---|---|
| Performance: | **Good** |
| Self-assessment: | **Marginal** |
| Findings and supporting evidence: | ServiceIQ's educational performance indicators include credit achievement, cohort qualification completion rates and participation (See Table 2, Appendix 1).<br><br>The organisation met its educational performance indicator (EPI) targets set by the Tertiary Education Commission (TEC) for overall programme completion in 2018 and 2019, but was below for credit completions. Employers discontinuing training or restructuring of staff are often key reasons for the lower completions. One instance where this occurred with a large national employer in 2019 had a greater impact on youth and Māori and Pasifika trainees, which is reflected in the completion rate for lower-level qualifications. ServiceIQ has responded by using feedback from employers and trainees to provide further support to ensure learners are not affected by closures or staff changes.<br><br>Other reasons for low completions include insufficient time on the job to complete the training and assessment, and the effect of the traditionally high turnover of staff across the retail and hospitality sectors due to the shift nature of the work and the high proportion (one-third) of youth in service sector work.<br><br>The main indicator used for measuring trainee achievement is credit achievement. The organisation monitors the number of credits reported over a period of time for each region against monthly targets. This process is useful for checking activity to meet targets. Overall credit achievement for 2019 shows there was an underachievement of 12.9 per cent against TEC requirements, which was better than forecast. However, this |

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| | focus provides only a limited ability to identify trends over time rather than at sector or qualification level. |
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| | A new reporting tool enables the creation of reports on progress by individual businesses, by qualification and by priority group. While this provides the organisation with detailed information about where trainees are achieving credits, its use is not yet sufficiently widespread to identify barriers at qualification level, particularly as the data shows there is a persistent parity gap for Māori. |
| | The organisation's trainee achievement working group reviews achievement across the organisation on a monthly basis to identify barriers to learning or where further support is required. |
| | A workforce development and priorities team was created to provide a focus for improving the achievement of Māori and Pasifika and to support trainees with literacy, both language and numeracy needs, as well as trainees with disabilities and young people. The Māori and Pasifika strategies and actions taken have enabled Māori to achieve at the same rates as non-Māori, and better for Pasifika. It is too early to know whether this success will translate into improved achievement of higher qualifications in the workforce. |
| | ServiceIQ has focused heavily on ensuring the robustness of the trainee data, with compliance checks along each stage of the trainees' engagement and the ability to capture results in real time. This provides assurance that the data is reliable and authentic. The next stage is to capture data on how many trainees complete qualifications along expected career pathways to show whether the qualifications continue to be of value and are meeting needs. |
| Conclusion: | Overall organisational achievement is close to expected targets. However, the variable outcomes between qualifications and different training arrangements are not analysed to understand the gaps in career progression, or rates of non-completion by individual qualification. Better use of the reporting tool would provide data to understand the success of trainees at this level. |
| | While there are some persistent issues with parity of achievement for Māori learners, ServiceIQ is working to address these with better support and advice to the sector. This will require ongoing attention if parity is to be improved. |

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## 1.4  How effective is the training arranged by the TITO?

| Performance: | **Good** |
| --- | --- |
| Self-assessment: | **Good** |
| Findings and supporting evidence: | ServiceIQ offers a range of training models to suit small, medium and large businesses. The organisation carried out a wide-scale review of training arrangements in response to serious concerns about the quality of Qual Link training and to ensure it aligned with the required assessment criteria following the previous EER. This led to a reduction in the number of businesses using the models and introduction of memorandums of understanding to ensure Qual Link expectations are clear for employers. In addition, ServiceIQ industry engagement staff provide advice to employers on which models would suit the organisation best based on size and current training capability and structure. ServiceIQ then monitors the effectiveness of training arrangements using feedback and credit reporting, and support is provided by ServiceIQ staff where identified.<br><br>Qual Link is used for businesses with more than 250 employees with an existing in-house training programme. The in-house training is mapped to relevant unit standards. Memorandum of understanding responsibilities are monitored by ServiceIQ sector managers using dashboards and monthly visits. However, monitoring processes did not identify in a timely way when a large employer had terminated its trainees or was not meeting its credit reporting targets. The delay resulted in lower credit achievement rates for 2019, as stated by ServiceIQ.<br><br>The remaining employers provide on-job practical training using the TITO's resources and trainees complete the ServiceIQ assessments, which can be assessed using workplace assessors or verifiers. These arrangements enable trainees to get hands-on, relevant training to meet their employers' needs, while achieving nationally recognised qualifications.<br><br>The training advisors and sector managers monitor training activity across regions and sectors using credit completion data and current enrolments.<br><br>Trainees' literacy and numeracy abilities are assessed to identify whether they need additional support, which can be provided by the employers' in-house literacy specialists or ServiceIQ resources. In addition, the TITO continues to update all of its on-job resources to ensure they meet trainee needs and are |

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| | accessible, in line with the ServiceIQ's language, literacy and numeracy strategy.<br><br>ServiceIQ introduced a three-tier support model in 2019 to assist employers to support trainees' success. There is evidence that employers are using the model, particularly the resources and workshops online during the recent Covid-19 lockdown.<br><br>Overall, 82 per cent of trainees and 81 per cent employers said they were satisfied with their general experience with ServiceIQ (Customer Insight survey, 2019). The organisation is in the early stages of a 'customer journey project'. This has identified touchpoints for the trainee and employer and will use feedback to make further improvements to how the TITO can support employers and their employees.<br><br>ServiceIQ was able to quickly adapt to the changes to the training environment and employers' needs during the lockdown. This involved pivoting from providing face-to-face learning resources for trainees and school students towards online resources and support for people to transition into other career pathways. The continued reporting of credits shows that trainees were able to keep up with their learning over this time. |
| Conclusion: | ServiceIQ has flexible training arrangements to suit employer needs. The TITO has moved quickly to the provision of digital resources to support continued training on the job and in schools.<br><br>The effectiveness of the training arranged by ServiceIQ has strengthened with the review of Qual Link and the introduction of new roles and resources, complemented by improved data for monitoring progress. However, monitoring of programme completion alongside credit achievement would help the organisation to understand where improvements to training arrangements could be made. |

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## 1.5 What is the quality of the assessment being undertaken towards industry standards and qualifications?

| Performance: | **Good** |
|---|---|
| Self-assessment: | **Good** |
| Findings and supporting evidence: | ServiceIQ analysed assessment quality in response to findings from the previous EER. ServiceIQ has made a number of changes to improve support for assessors and the monitoring of assessment. |
| | An initial step was the review of the nine Consent to Assess and Moderation Requirements (CMRs). ServiceIQ has consolidated moderation requirements for all of its unit standards into one CMR for aviation and one CMR for the remaining sectors, registered in 2019. The CMRs support a consistent approach to engaging assessors to improve assessment quality. |
| | In addition, the ServiceIQ quality assurance team is now responsible for monitoring the quality of the Qual Link assessment arrangements, the majority of which are for retail businesses. This involves checking that in-house training programmes and assessment resources are aligned to the latest versions of qualifications, as well as moderating assessments, including recognition of prior learning. As a result of the Qual Link review in 2019, ServiceIQ identified employers that did not have good training systems in place and has provided better support for workplace assessors. The systematic review of the remaining arrangements has strengthened the validity of the on-job training and assessment under Qual Link. |
| | The remainder of assessments are carried out by ServiceIQ in the workplace. ServiceIQ monitors active assessors (309 as of June 2020) using a paper-based moderation process, and more recently online to ensure assessment resources are valid and decisions meet the standards. ServiceIQ also provides assessment resources for secondary schools. ServiceIQ held two national assessor workshops in 2019 to provide for the professional development of assessors. However, these were not well attended as they are not compulsory. |
| | Assessor training has moved from in-house to an external national provider, and assessors are supported by an assessor handbook containing policies and procedures. This is reinforced by regular contact from one of the quality assurance team. Poorly performing assessors are placed on a risk register for |

| | further monitoring, or are deregistered. |
|---|---|
| | The organisation operates a five-year plan to moderate all of its unit standard assessments by assessors and other providers. The schedule does not include non-ServiceIQ unit standards. The TITO engages in external moderation with the relevant standard-setting body on request and would benefit from incorporating these unit standards into a regular schedule of internal moderation to ensure that its moderation is comprehensive and proactive in identifying gaps for improvement. |
| Conclusion: | ServiceIQ has improved monitoring of Qual Link arrangements with the review of processes and restructure of teams to provide workplace support and quality assurance. Implementation of assessor support and a dedicated moderation team provides assurance that more robust internal moderation is in place. |

## 1.6 How well does the TITO's governance and management support the TITO to meet its statutory functions?

| Performance: | **Excellent** |
|---|---|
| Self-assessment: | **Good** |
| Findings and supporting evidence: | The leadership team, along with the board, provides clear direction and guidance which is communicated effectively across the organisation. The organisation reset its strategy following a review of its past performance against its overall purpose and established 'Key Pillars' to drive the direction of the business in the short to medium terms. The ServiceIQ leadership team responded effectively to concerns raised by the TEC and NZQA in 2018, particularly around the validity of credits reported for large employers under Qual Link. The organisation has introduced an ISO[3] internal audit working group to focus on compliance with government rules, regulations and requirements. Compliance is managed using a risk framework, and external audits show that the organisation is compliant with TEC and other agencies' requirements. The group also reviews regular internal audit reports on staff understanding and application of standard-setting body |

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[3] International Organization for Standardization

| | responsibilities to ensure compliance is maintained. |
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| | ServiceIQ restructured to enable it to better help its industries to improve workforce capability through trainees 'growing their skills and knowledge'. The restructure enabled more reliable sources of information and better allocation of resources to support workplace training. The newly created customer insights roles have contributed to better understanding and sector relationship building. |
| | In addition, the workforce development plan has led to the implementation of Te Pai Tawhiti strategy to build internal cultural competency. Staff already report that they are more comfortable engaging with employers about equity issues in the workplace. However, there has been no analysis of whether this has improved employer capability and support leading to higher success for priority learners. |
| | The organisation's actions have restored trust within its sectors as shown in the initial customer feedback surveys. The new customer journey project aims to enhance the current sources of information from training advisors and achievement data with an understanding of barriers to training. This is complemented by feedback at each stage from employers and trainees. |
| | The enhancements to analysis capability within the data management system have enabled better self-assessment by ServiceIQ based on reliable data to identify strategies to increase successful completions. The maintenance of reliable business reporting and effective management of records is overseen by the newly established data governance group, which aims to promote a proactive approach to data quality and security. |
| | ServiceIQ has also provided support for the affected sectors during the Covid-19 pandemic with online training and support for qualifications and assisting with the transition of employees into other sectors. The organisation uses business continuity planning to guide them through the impacts of Covid-19 as well as the outcomes of the review of vocational education. |
| Conclusion: | ServiceIQ is led by a strong governance and management team which provides clear direction. Under new leadership the organisation has improved the quality of monitoring of systems and data reporting to effectively deliver on its statutory functions. |
| | The organisation has adapted well in an ever-changing environment. This is helped by a high level of communication |

| | and transparency in engagement, internally and externally. While the organisation has implemented strategies to support improvements, it is too early to determine whether these are contributing to improved training across all sectors. |
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# Focus Areas

*This section reports significant findings in each focus area, not already covered in Part 1.*

## 2.1  Focus area: New Zealand Certificate in Retail (Level 3)

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|---|---|
| Performance: | **Good** |
| Self-assessment: | **Good** |
| Findings and supporting evidence: | Retail is the largest ServiceIQ sector, accounting for 60 per cent of employees, of whom 34 per cent are ServiceIQ trainees. However, the retail sector is very different following the Covid-19 outbreak. Prior to this, there were 419,000 businesses in the ServiceIQ sectors, but this has dropped significantly, affecting projected credit completion rates as well as future participation. |
| | Trainees are mostly employed by large companies, such as the Warehouse, Woolworths, Mitre 10, Green Cross and Farmers. ServiceIQ also has trainees employed in small-to-medium business enterprises from all regions. The TITO provides different training and assessment models to suit the needs of different business types. Qual Link is used mainly for large businesses that operate in-house training programmes and have staff who are competent to assess. Monthly and annual reviews check that the training is aligned to the qualification outcomes and that assessments are valid. |
| | Training advisors provide materials to support training on the job for smaller businesses, using either on-job assessors or contractors. The assessments are moderated by ServiceIQ, and the improvements to assessor engagement in moderation will provide better assurance that the coverage is comprehensive and leading to valid assessment. |
| | ServiceIQ understands career pathways and develops suitable qualifications. For example, it reviewed its level 2 programme and developed a level 3 retail qualification to better match employer needs. It also developed the suite of short Savvy Awards to attract people and contribute to workforce supply. The awards are structured so that people across the retail, tourism and hospitality sectors can achieve core transferable skills with a specialist focus depending on the award they are enrolled in. |
| | The Retail Savvy Award, with specialist skills in customer service and product knowledge, had 292 enrolments in 2019 |

| | |
|---|---|
| | with around 60 withdrawals. It is difficult to compare achievement across years; for example, the organisation collates data, but does not use this to compare results for each year or individual workplace.<br><br>ServiceIQ understands the reasons for barriers to completion and works with employers to minimise these barriers. The main reasons are high staff turnover and the ability of employers to find time for training and assessing on the job.<br><br>This understanding is supported by generic surveys conducted across employers that have trainees or have trained in the past. The responses show that across all sectors, 21 per cent of employees did not have time to complete the training, 10 per cent did not complete for family reasons, and 8 per cent because of changing roles. The surveys also show that employers believe the TITO responds better to their feedback; the value of this is seen in the way that the training is tailored to meet the needs of business.<br><br>However, the surveys do not capture whether an individual qualification met needs or what is specific about the qualifications that contribute to a skilled workforce. In addition, while ServiceIQ has carried out surveys aligned to qualification outcomes in previous years, the current surveys for NZQA consistency reviews do not provide information about specific graduate outcomes to understand what skills are gained at the required level and are relevant to industry needs; the organisation is returning to the former survey approach<br><br>Five thousand secondary school students have engaged with Gateway programmes. The TITO helps schools to find employers that offer work experience. ServiceIQ also supports schools with assessment resources. Students gain credits towards their NCEA, and 85 per cent achieved the Gateway programmes in 2018. |
| Conclusion: | ServiceIQ provides relevant qualifications to meet the training needs of employers. It has suitable training arrangements in place, with ongoing monitoring to help support trainee achievement. The organisation uses data and sector feedback to understand barriers to progress. However, success depends on the nature of the sector and employment trends in an ever-changing environment.<br><br>More detailed analysis of the data at qualification level across relevant timeframes would help to understand which training arrangements are working well and areas for improvement. |

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## 2.2  Focus area: Cafe, Bar and Restaurant (Levels 2-4)

| Performance: | **Good** |
|---|---|
| Self-assessment: | **Good** |
| Findings and supporting evidence: | Employers value the training provided as it gives their employees the skills required to work in a restaurant, bar or cafe, with training support tailored to their needs. |
| | The key value for trainees is an opportunity to gain a qualification while working, in order to develop their career. The training on the job also exposes them to a wider range of skills and experiences, with repeat opportunities for learning. |
| | The TITO works with industry partners on its board and in sector advisory groups to identify industry needs and develop qualifications to suit. |
| | The Hospo Savvy Award is an example of developing a short qualification with transferable skills to meet the needs of industry – 238 trainees enrolled in the award during 2019. Of those, 64 withdrew (26 per cent), and 82 completed (34 per cent), with 92 trainees either still completing or inactive. The success of this award is the interest from the sector, with increasing enrolments and evidence that some trainees progress to the level 3 qualifications. |
| | The hospitality industry, like the retail sector, struggles to attract and retain staff, which has an impact on qualification achievement. In addition, training completion is related to the investment that businesses make in training staff. When a large employer puts training on hold, this affects training completions, as seen by the underachievement in 2019. |
| | The training advisers take time to ensure trainees are enrolled in the right programme and that their employer understands the commitment to provide the right training environment to meet the qualification requirements. |
| | The organisation is responsive to feedback about materials and provides support for on-job verifiers to facilitate the training and assessment processes and reduce repetitive tasks to ensure that staff are not overburdened. |
| Conclusion: | There is good evidence that the hospitality qualifications are valued by employers and their staff. Assessment is managed to ensure it is authentic and is at the required standard. The organisation uses credit achievement data to monitor where trainees need support. Appropriate systems are in place to |

| | support businesses to train their employees. |
| --- | --- |
| | Further analysis of data at the qualification level would help understand where trainees are achieving qualifications and where training arrangements assist in career progression. |

## 2.3 Focus area: First Line Management (Level 4)

| Performance: | **Good** |
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| Self-assessment: | **Good** |
| Findings and supporting evidence: | First Line Management qualifications are used by employers to recognise employees' skills and experience or for career progression. The enrolment data provided shows there is a good uptake of the qualification, particularly in international hotel chains. This shows the value of having this qualification for employers and their employees. Restaurant front-of-house staff spoken to by the EER team also confirmed that the qualification gave them recognition of their skills, beyond the sector skills they have learned on the job. The qualification is also used by the New Zealand Defence Force to help with transfer into other careers.

Data gathered for consistency reviews about graduate outcomes shows that 92 per cent of respondents agreed or strongly agreed that the 'training gave them the technical knowledge ... to achieve objectives'. These results are strong evidence from employers and graduates that the qualification is valued and relevant.

However, it is unclear what skills were relevant or how many trainees are currently enrolled in the programme. Completion data is not used to understand how many trainees complete within the expected timeframes, although this information is available through the data reporting tool. |
| Conclusion: | The qualification is valued for recognising staff management skills across the various sectors the TITO is responsible for. This is supported by graduate feedback and uptake of the qualification. However, analysis of programme completion is not carried out for comparison between sectors or different business models to identify strengths or gaps. |

## 2.4 Focus area: Governance, management and strategy

| Performance: | **Excellent** |
|---|---|
| Self-assessment: | **Good** |

# Recommendations

*Recommendations are not compulsory but their implementation may improve the quality and effectiveness of the training and education provided by the tertiary education organisation (TEO). They may be referred to in subsequent external evaluation and reviews (EERs) to gauge the effectiveness of the TEO's quality improvements over time.*

NZQA recommends that ServiceIQ:

- Use the reporting tool data to inform achievement at the individual programme level, in addition to monitoring overall credit achievement for each sector. This will enable better understanding of qualification outcomes, including the strengths and weaknesses of different training arrangements.

- Ensure graduate surveys are aligned to individual qualification outcomes and conducted regularly to provide information about whether the needs of trainees and employers have been met.

- Implement systematic, comprehensive moderation of all unit standards within the TITO scope covering all assessors, including for other TEOs, Gateway programmes, and assessments by workplace and contract assessors.

# Requirements

*Requirements relate to the TEO's statutory obligations under legislation that governs their operation. This include NZQA Rules and relevant regulations promulgated by other agencies.*

There are no requirements arising from the external evaluation and review.

# Appendix 1

**Table 1. Sector enrolments, June 2020**

**ITO SECTOR AND FUND TYPE**

| Row Labels | NZ Apprentice | Trainee | Grand Total | % |
|---|---|---|---|---|
| Accommodation | 54 | 851 | 905 | 6% |
| Aviation | 160 | 2,137 | 2,297 | 14% |
| Cafes, Bars, Restaurants | 417 | 620 | 1,037 | 6% |
| Clubs | 9 | 20 | 29 | 0% |
| Food Services | 122 | 1,009 | 1,131 | 7% |
| Museums | 0 | 156 | 156 | 1% |
| Quick Service Restaurants | 0 | 5,110 | 5,110 | 31% |
| Retail Supply Chain | 7 | 4,469 | 4,476 | 28% |
| Tourism | 10 | 653 | 663 | 4% |
| Travel | 0 | 467 | 467 | 3% |
| **Grand Total** | **779** | **15,492** | **16,271** | **100%** |

**Table 2. TEC EPI rates 2017-2019 Service IQ**

| EPI data | Programme completion | | Credit completion | | 1st year retention | |
|---|---|---|---|---|---|---|
| | Service IQ | All ITOs | Service IQ | All ITOs | Service IQ | All ITO's |
| 2019 | 68 | Not available | 59 | Not available | 73 | Not available |
| 2018 | 70% | 67% | 70% | 76% | 78% | 76% |
| 2017 | 65% | 69% | 76% | 78% | 84% | 79% |

**Table 3. Māori and Pasifika credit achievement**

| Credit achievement (all levels) | 2017 | 2018 | 2019 YTD |
|---|---|---|---|
| Māori | 65 | 69 | 62 |
| Pasifika | 78 | 74 | 75 |
| All students/2019 non-Māori and Pasifika | 78 | 70 | 73 |

**Table 4. Māori and Pasifika programme completion**

| Programme completion (all levels) | 2017 | 2018 | 2019 YTD |
|---|---|---|---|
| Māori | 62 | 68 | 66 |
| Pasifika | 65 | 73 | 76 |
| All students/2019 non-Māori and Pasifika | 65 | 70 | 76 |

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# Appendix 2

## Conduct of external evaluation and review

*All external evaluation and reviews are conducted in accordance with NZQA's published rules. The methodology used is described in the web document https://www.nzqa.govt.nz/providers-partners/external-evaluation-and-review/. The TEO has an opportunity to comment on the accuracy of this report, and any submissions received are fully considered by NZQA before finalising the report.*

## *Disclaimer*

*The findings in this report have been reached by means of a standard evaluative process. They are based on a representative selection of focus areas, and a sample of supporting information provided by the TEO under review or independently accessed by NZQA. As such, the report's findings offer a guide to the relative quality of the TEO at the time of the EER, in the light of the known evidence, and the likelihood that this level of quality will continue.*

*For the same reason, these findings are always limited in scope. They are derived from selections and samples evaluated at a point in time. The supporting methodology is not designed to:*

- *Identify organisational fraud[4]*

- *Provide comprehensive coverage of all programmes within a TEO, or of all relevant evidence sources*

- *Predict the outcome of other reviews of the same TEO which, by posing different questions or examining different information, could reasonably arrive at different conclusions.*

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[4] NZQA and the Tertiary Education Commission (TEC) comprehensively monitor risk in the tertiary education sector through a range of other mechanisms. When fraud, or any other serious risk factor, has been confirmed, corrective action is taken as a matter of urgency.

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# Regulatory basis for external evaluation and review

*ITOs must comply with prescribed quality assurance requirements under the Industry Training and Apprenticeships Act 1992 section 11B. The prescribed quality assurance requirements are defined in section 13B of that Act as meaning the requirements set out by NZQA under section 253(1)(gb) of the Education Act 1989 ('the Education Act') and approved by the NZQA Board and Minister authorised as responsible for Part 20 of the Education Act.*

*Section 13A of the Industry Training and Apprenticeships Act 1992 gives NZQA the function to monitor ITO compliance with prescribed quality assurance requirements. One way of monitoring is through external evaluation and review (EER).*

*Self-assessment and participation and cooperation in EER conducted under the Quality Assurance (Including External Evaluation and Review (EER) Rules 2016 ('the EER Rules') are requirements for ITOs to:*

- *Maintain consent to assess against standards on the Directory of Assessment Standards.*

- *Maintain training scheme approval.*

*The requirements for participation and cooperation are set through the Consent to Assess Against Standards on the Directory of Assessment Standards Rules 2011 and the Training Scheme Rules 2012 respectively. These rules, and the EER Rules were made by NZQA under section 253 of the Education Act and approved by the NZQA Board and the Minister.*

*An EER is an independent evaluation of an ITO that leads to a statement of confidence by NQZA about the ITO's performance and organisational capability in self-assessment. The performance of an ITO relates to the extent to which the training outcomes influenced by the ITO represent quality and value for employers, industry, trainees, and government. Capability in self-assessment of an ITO relates to the extent to which the ITO systematically uses self-assessment information to understand its performance and bring about improvement.*

*EER is also used by NZQA as a monitoring and evaluation tool, with the outcomes of these processes informing Tertiary Education Commission decisions relating to re-recognition of an ITO.*

*In addition, external evaluation and review reports are one contributing piece of information in determining future funding decisions in relation to an investment plan agreed between an ITO and the Tertiary Education Commission. The understandings and expectations for the implementation of ITO quality assurance are set out in a protocol to the Memorandum of Understanding between NZQA and the Tertiary Education Commission.*

*This report reflects the findings and conclusions of the external evaluation and review process. The report identifies strengths and areas for improvement in terms of the ITO's performance and capability in self-assessment.*

*External evaluation and review reports are public information and are available from the NZQA website ([www.nzqa.govt.nz](www.nzqa.govt.nz)). All rules cited above are available at [https://www.nzqa.govt.nz/about-us/our-role/legislation/nzqa-rules/](https://www.nzqa.govt.nz/about-us/our-role/legislation/nzqa-rules/), while information about the conduct and methodology for external evaluation and review can be found at [https://www.nzqa.govt.nz/providers-partners/external-evaluation-and-review/](https://www.nzqa.govt.nz/providers-partners/external-evaluation-and-review/).*

*Final report*

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